

**EXHIBIT 2**

Excerpted Minutes from Regents' Meeting on August 24, 2023

Meeting No. 1,238

THE MINUTES OF THE BOARD OF REGENTS  
OF  
THE UNIVERSITY OF TEXAS SYSTEM

Pages 1 - 377

August 23 - 24, 2023

Austin, Texas

August 24, 2023 Meeting of the U. T. System Board of Regents – Meeting of the Board

THURSDAY, AUGUST 24, 2023.-- The members of the Board of Regents of The University of Texas System reconvened at 9:00 a.m. on Thursday, August 24, 2023, in the Board Room, Second Floor, The University of Texas System Building, 210 West Seventh Street, Austin, Texas, with the below meeting participation:

ATTENDANCE.--

Present

Chairman Eltife  
Vice Chairman Weaver  
Regent Crain  
Regent Gauntt  
Regent Jiles  
Regent Perez  
Regent Stedman  
Regent Warren  
Regent Austin, Student Regent, nonvoting

Absent

Vice Chairman Longoria

CONVENE THE BOARD IN OPEN SESSION TO CONSIDER AGENDA ITEMS.--At 9:00 a.m., in accordance with a notice being duly posted with the Secretary of State and there being a quorum present, Chairman Eltife called the meeting to order in Open Session to consider action on the following items.

WELCOME TO NEW STUDENT REGENT JOHN MICHAEL AUSTIN.--Chairman Eltife welcomed Student Regent Austin to his first regular meeting.

The Board also recognized Dr. Charles Mouton for his service as Interim President at The University of Texas Medical Branch at Galveston. Chairman Eltife thanked Dr. Mouton for leading the Medical Branch for the last 12 months.

Chairman Eltife congratulated The University of Texas at Austin on their 5th National Championship win for Women's Outdoor Track and Field.

STANDING COMMITTEE RECOMMENDATIONS AND REPORTS TO THE BOARD.--At 9:01 a.m., Chairman Eltife announced the Board would hear the reports and recommendations of the Standing Committees, which are set forth on Pages 7 - 258.

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In approving the Consent Agenda, the Board expressly authorized that any contracts or other documents or instruments approved therein may be executed by officials of the University of Texas System or respective U. T. institution involved, as appropriate.

3. U. T. System Board of Regents: Discussion and appropriate action regarding proposed revision to Regents' *Rules and Regulations* to amend and retitle Rule 10701 (Policy Against Discrimination) and take other action to comply with applicable law

The Board approved the following recommendation:

### RECOMMENDATION

It is recommended that the U. T. System Board of Regents take the following actions:

- a. Approve the following revisions to Regents' *Rules and Regulations*, Rule 10701:

#### 1. Title

~~Policy Against Discrimination~~ Compliance with Laws Related to Race, Color, National Origin, Ethnicity, Religion, Sex, Age, Veteran Status, or Disability

#### 2. Rule and Regulation

Sec. 1 To the extent provided by applicable law, no person shall be excluded from participation in, denied the benefits of, or be subject to discrimination under, any program or activity sponsored or conducted by The University of Texas System or any of the institutions, on the basis of race, color, national origin, ethnicity, religion, sex, age, veteran status, or disability.

Sec. 2 Unless required by federal law or permitted by Texas Education Code Section 51.3525, an institution may not maintain a diversity, equity, and inclusion (DEI) office or engage in other conduct prohibited by Section 51.3525 and must adopt policies and procedures for appropriately disciplining an employee or contractor of the institution who engages in prohibited conduct.

The Board authorizes the Chancellor to submit required reports to the Texas Legislature and Texas Higher Education Coordinating Board each fiscal year certifying compliance with Section 51.3525, to testify before legislative committees regarding compliance with Section 51.3525, and to take other actions needed to ensure compliance with Section 51.3525.

- b. Authorize the General Counsel to the Board to review existing Regents' Rules and make additional revisions as necessary to comply with Texas Education Code Section 51.3525, other applicable law, and controlling caselaw. This recommendation is based upon the June 29, 2023, United States Supreme Court decision prohibiting the use of race as a factor in student admissions and will formally document the repeal of Regents' Rule 40304 authorizing plans that consider an applicant's race or ethnicity as part of an institution's admissions or financial assistance policies.

### BACKGROUND INFORMATION

In response to discussions during the Texas 88<sup>th</sup> Legislative Session regarding diversity, equity, and inclusion (DEI) practices and policies at institutions of higher education, the U. T. System Board of Regents took action on February 22, 2023, to pause any new DEI initiatives and review all existing DEI policies. On June 17, 2023, Governor Abbott signed Senate Bill 17, codified as Texas Education Code Section 51.3525, limiting diversity, equity, and inclusion policies and initiatives at public institutions of higher education. The legislation requires the Board to ensure that institutions comply with the new law and adopt policies to appropriately discipline employees or institutional contractors who do not comply. The legislation also contains certain requirements regarding compliance reporting as well as scheduled compliance audits by the State Auditor.

The proposed revisions articulate the Board's commitment to compliance with Section 51.3525 and delegate authority to the Chancellor to take necessary action to ensure compliance on behalf of the Board.

Additional proposed language acknowledges the impact of the United States Supreme Court's June 29, 2023, decision prohibiting the use of an applicant's race as a factor in student admissions and directs the General Counsel to the Board to make changes in other Regents' Rules as necessary to comply with this decision as well as applicable state and federal law. Accordingly, Regents' Rule 40304 allowing plans that consider an applicant's race or ethnicity as part of an institution's admissions or financial assistance policies will be deleted.

These revisions and the underlying legislation have the potential to impact full-time equivalent (FTE) employee counts and budgets upon implementation. The proposed Rules change was reviewed by the institutional presidents and representatives of the Student Advisory Council, the Faculty Advisory Council, and the Employee Advisory Council.